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Date:

GAIN Report Number:

Turkey

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Report Highlights:

MY 2011 Turkish cotton crop area and production now estimated 480,000 hectares and 700,000 MT (3.2 Million bales). High world cotton prices which caused a major increase in planting and favorable growing conditions resulted in more than a fifty percent increase in production. The present worldwide economic slowdown is expected to adversely affect domestic consumption causing it to decline 1.12 MMT (5.1 million bales). MY2011 total cotton import is projected to remain about 450,000 MT (1.3 Million bales), compared to 730,000 MT (2.1 million bales) of last year, due to large domestic production and lower consumption. Availability of GSM-102 Credit Guarantee Program continues to play a crucial role in U.S. cotton exports to Turkey.

Post:
Ankara

Production

MY 2011 cotton planting area reached 480,000 hectares as record high world prices persuaded farmers to plant more cotton in all growing regions. Favorable growing conditions during the season such as availability of irrigation water and high temperatures helped to increase production more than fifty percent compared to last year. Also, no major bug damage been reported in cotton growing regions this year. But problems due to late planting like flooding and heavy rains were accorded and had adverse affect on yields and quality in some areas. All in all MY 2011 total production estimated to reach 700,000 MT (3.2 Million bales).

Consumption

MY 2011 domestic cotton consumption is expected to decline to 1.12 MMT (5.14 Million bales) compared to 1.22 MMT (5.6 million bales) of last year. The recent economic turmoil at the major export destinations and expected decline of growth in the domestic market will eventually cause domestic consumption of cotton to decline during the marketing year.

In spite of all the bleak economic developments around the world, the Turkish textile and garment exporters managed to increase exports in both categories. Accordingly Turkish exports of textiles and garments increased twenty-four and fifteen percent respectively during MY 2010 compared to a year ago. Turkish textile producers are benefiting from geographical proximity, willingness to accept small orders, fast response time and focus on fashion and design.

Turkish textile producers, in an effort to minimize the adverse effects of shrinking world economy, are diversifying their customer bases. While increasing their efforts in the new markets such as Russia and CIS they are also trying to increase their share in the traditional markets such as European countries. The recent devaluation of Turkish Lira against the major currencies would also help the industry to maintain its export markets during the economic crisis.

Trade

Turkey imported a total of 729,428 MT (3.3 Million bales) of cotton in MY 2010 of which 476,925 MT (2.1 Million Bales), sixty-five percent, were US cotton. Cotton imports during the first two months of MY 2011 were 57,617 MT (264,500 bales), US supplied 31,820MT (146,000 Bales). Australia, Brazil and Argentina become the other leading suppliers during the same period replacing traditional suppliers such as Greece and CIS countries. MY 2011 imports are expected to fall to about 450,000 MT (2 Million bales) due to large domestic production, projected decline in domestic consumption and mills unwillingness to place large orders.

GSM-102 credit guarantee program continue to play a critical role in US cotton sales to Turkey. During FY 2011 Turkish cotton importers registered US\$ 292 million worth of US cotton under the program which constituted fifty-three percent of total usage of the program for the year. The demand for the program also continued in FY 2011. Turkish mills registered a total of US\$ 35 million worth of cotton in October representing seventy-one percent of total registrations for the month.

Turkish exports for cotton in MY 2010 were 8,587 MT (34,410 bales) of which about 3,841 MT (17,630 bales) was to Turkish free trade zones, which some of this cotton may be imported back in to the country. During the first two months of MY 2011 Turkish cotton exports were 2,660 MT (12,200 bales) but present low local cotton prices is expected to increase exports up to 40,000 MT (184,000 bales) during the marketing year, highest in many years. Turkey also exports annually about 20,000 MT cotton for medical use.

PSD, Bales

Cotton Turkey	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Aug 2009		Market Year Begin: Aug 2010		Market Year Begin: Aug 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	280	0	320	0	480
Area Harvested	280	280	320	20	450	480
Beginning Stocks	1,654	1,136	1,928	1,166	1,712	984
Production	1,750	1,745	2,100	2,110	2,900	3,213
Imports	4,394	4,391	3,350	3,348	3,200	2,066
MY Imports from U.S.	0	2,236	0	2,189	0	1,377
Total Supply	7,798	7,272	7,378	6,624	7,812	6,263
Exports	150	46	146	40	150	183
Use	5,800	6,060	5,600	5,600	5,800	5,140
Loss	-80	0	-80	0	-80	0
Total Dom. Cons.	5,720	6,060	5,520	5,600	5,720	5,140
Ending Stocks	1,928	1,166	1,712	984	1,942	940
Total Distribution	7,798	7,272	7,378	6,624	7,812	6,263
Stock to Use %	32	19	30	17	33	18
Yield	1,361.	1,357.	1,429.	22,970.	1,403.	1,457.

Country	Turkey					
Commodity	Cotton				(HECTARES)(MT)	
	2009	Revised	2010	Estimate	2011	Forecast
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]
Market Year Begin		Aug-09		Aug-10		11-Aug
Area Planted	280000	280000	320000	320000	450000	480000
Area Harvested	280000	280000	320000	320000	450000	480000
Beginning Stocks	247433	247433	254068	254068	216068	214909
Production	380000	380000	460000	460000	650000	700000
Imports	956682	956682	730000	729428	550000	450000
MY Imp. from U.S.	487236	487236	480000	476925	380000	300000
TOTAL SUPPLY	1584115	1584115	1444068	1443496	1416068	1364909
Exports	10047	10047	8000	8587	10000	40000
USE Dom. Consumption	1320000	1320000	1220000	1220000	1180000	1120000
Loss Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	1320000	1320000	1220000	1220000	1180000	1120000
Ending Stocks	254068	254068	216068	214909	226068	204909
TOTAL DISTRIBUTION	1584115	1584115	1444068	1443496	1416068	1364909

	Turkey		
Commodity	Cotton	Units:	Metric tons
Time Period	Aug/July		Aug/Sept
Imports for:	MY 2010		MY 2011
U.S.	476,925	U.S.	31820
Others			
Greece	87365	Australia	7014
Turkmenistan	51250	Brazil	6516
India	11135	Turkmenistan	4042
Uzbekistan	16672	Argentina	2752
Syria	1988	Mersin FTZ	1702
Brazil	27851	India	1015
Egypt	5209	Greece	992
Argentina	6186	Uzbekistan	482
Burkina Faso	3610	Egypt	329
Tajikistan	21088	Ethiopia	199
Total of Others	232354		25043
Others not listed	20149		754
Grand Total	729428		57617
Country	Turkey		
Commodity	Cotton	Units:	Bales
Time Period	Aug/July		Aug/Sept
Imports for:	MY 2010		MY 2011
U.S.	2147776	U.S.	146054
Others			
Greece	401005	Australia	32194
Turkmenistan	235238	Brazil	29908
India	51110	Turkmenistan	18553
Uzbekistan	76524	Argentina	12632
Syria	9125	Mersin FTZ	7812
Brazil	127836	India	4659
Egypt	23909	Greece	4553
Argentina	28394	Uzbekistan	2212
Burkina Faso	16570	Egypt	1510
Tajikistan	96794	Ethiopia	913
Total of Others	1066505		114946
Others not listed	92484		3461
Grand Total	3348074		264462

